



**HOME BUILDERS & REMODELERS ASSOCIATION
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*Your Home
Is Our
Business*

**Housing Committee
Public Hearing
Testimony
February 21, 2023**

**To: Chairmen Rep. Luxenberg, Sen. Moore, Ranking Members Rep. Polletta,
Sen. Sampson, and distinguished Members of the Housing Committee**

From: Jim Perras, CEO

Testimony: Raised H.B. No. 6588: An Act Concerning Rent Stabilization (Oppose)

**Raised H.B. No. 6589: An Act Concerning Rent Stabilization in Mobile
Manufactured Home Parks (Oppose)**

The Home Builders and Remodelers Association of Connecticut (HBRA-CT) is a professional trade association with almost nine hundred business members statewide, employing tens of thousands of Connecticut residents. Our association of small businesses consists of residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry. We build between 70% to 80% of all new homes and apartments in Connecticut each year and engage in countless home remodeling projects.

The HBRA-CT is grateful for the opportunity to submit testimony in opposition to any form of rent stabilization legislation. The HBRA-CT appreciates the intent of this bill and agrees with the proponents of this legislation that more should be done to protect to reduce the cost of living and protect our most vulnerable populations. However, rent control is a fundamentally flawed concept that seeks to address the symptom rather than the underlying problem. To ensure access to safe and affordable housing for the traditionally disenfranchised populations policymakers must address the consistent and historic lack of adequate housing production in the state of Connecticut. Fourteen years of depressed housing production of all types has led to an insufficient number of housing units to meet demand which has disproportionately impacted Connecticut's most vulnerable populations. Based on analysis of the U.S. Census data, a new report identified Connecticut's housing production numbers to be the second lowest in the country (second only to Illinois).¹

¹ https://westfaironline.com/exclusives/where-the-new-homes-are-not-new-york-and-connecticut/?mc_cid=5447d8f933&mc_eid=c73587af69

The vast majority of economist agree that artificially controlling apartment rents reduces the supply of housing overtime², negatively impacting those vulnerable populations that it is intended to benefit. Housing affordability is, in large part, a regulatory and supply issue. To truly solve the problem of high rents, it is imperative that policymakers attack it at its root by:

- Addressing overly restrictive local zoning that limits development and artificially inflates the price of real estate while limiting the residential construction industry's ability to meet demand, thereby driving up rents.
- Expediting the approval process for multi-family development and reducing regulations and lawsuits that slow or stall housing development.
- Encouraging public/private financing and partnerships to encourage the development of affordable housing, and
- Overhauling our voucher system and ensuring sufficient resources to assist our most vulnerable populations.

The HBRA-CT would suggest the Committee consider a strike-all amendment to be replaced with new language that would require the following:

- 1. Require DOH, DECD to study the effects of the consistent under production of housing** in Connecticut and the impacts it has on:
 - a. Housing insecure citizens
 - b. Cost burdened households.
 - c. Private sector business decisions to move to or expand in Connecticut.
 - d. Overall health of our economy, including a review of unrealized state and municipal revenues from property, sales, and income taxes.
- 2. Require the creation of a taskforce comprised of relevant state agencies, representatives of a statewide trade association dedicated to residential construction, developers, builders, planners, land use attorneys, building officials and code experts to specifically identify barriers to increased housing production**, review effective policies in other states and develop legislative recommendations, including but not limited to:
 - a. Identifying land use reforms that lead to greater housing production.

² <https://www.nahb.org/-/media/NAHB/advocacy/docs/top-priorities/housing-affordability/rent-control-case-study-090820.pdf>

- b. Developing a criterion for a cost benefit analysis to be used by the taskforce to review existing codes and regulations and offer recommendations for repeal of codes and regulations that drive up the cost of construction without sufficient benefit to public health and safety.
 - c. Conducting a comprehensive review of residential infrastructure needs and recommendations for creating a municipal development fund and for bonding and other sources of funding municipal capital projects that lead to increased housing production.
- 3. **Identify the lack of housing production in Connecticut as a public health emergency** and direct all state agencies to seek federal funding to assist municipalities and builders in the production of more housing.
- 4. **Mandate that it be the goal of the state to implement policies that promote sufficient housing production to meet the needs of all Connecticut residents** and that each state agency must consider the production of adequate housing when adopting or revising policies, regulations, and procedures.
- 5. For purposes of state agency activities, the promotion of adequate housing production should be defined to include (but not be limited to):
 - a. Review of existing state and municipal zoning regulations that artificially restrict supply and drive-up costs.
 - b. Financial and expert assistance to towns to assist updating zoning to promote increased production, including aid for necessary infrastructure improvements.
 - c. Financial assistance and incentives for builders and developers where appropriate
 - d. Review of costly codes and regulations that drive up the costs of development and construction.
- 6. **Mandate the creation of a new Housing Production Committee** which should include for profit and not for profit builders, developers, remodelers, realtors, municipal planners, and representatives of OPM, DECD, DAS, and DOH. The committee should be mandated to:
 - a. Provide regular reports to the Committees on Housing and Planning and Development.
 - b. During the legislative session the Housing Production Committee should be required to identify and review any proposed legislation impacting housing production and give testimony providing analysis on the potential impact the legislation would have on housing production resulting in possible harm to the economy and the state's most vulnerable populations.

The HBRA-CT respectfully requests that the Housing Committee reject these and any other rent control measures that would put a choke hold on housing development when it is most needed. **Thank you, for the opportunity to provide testimony in opposition to H.B. 6588 and H.B. 6589.**